

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

IN RE: KRISJENN RANCH, LLC, <i>et al</i> DEBTOR	§ § § § § §	CHAPTER 11 CASE NO. 20-50805-rbk (Jointly Administered)
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**DEBTOR'S APPLICATION TO EMPLOY KEN HOERSTER AND
TEXAS RANCHES FOR SALE AS REAL ESTATE BROKER**

THIS PLEADING REQUESTS RELIEF THAT MAY BE ADVERSE TO YOUR INTERESTS. IF NO TIMELY RESPONSE IS FILED WITHIN TWENTY ONE (21) DAYS FROM THE DATE OF SERVICE, THE RELIEF REQUESTED HEREIN MAY BE GRANTED WITHOUT A HEARING BEING HELD. A TIMELY FILED RESPONSE IS NECESSARY FOR A HEARING TO BE HELD.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Krisjenn Ranch, Series Uvalde Ranch ("KrisJenn") (the "Debtor") respectfully make this application ("Application") to employ Ken Hoerster and Texas Ranches for Sale ("Texas Ranches") as Real Estate Broker for the Debtor and representing as follows:

I. JURISDICTION AND VENUE

1. This Court has jurisdiction over this application under 28 U.S.C. §§ 157 and 1334. This is a core matter under 28 U.S.C. § 157(b)(2)(A).
2. Venue in this Court is proper under 28 U.S.C. §§ 1408 and 1409.

II. BACKGROUND

3. On April 27, 2020, (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (as amended, the "Code"). The Debtor continues to manage its financial affairs as a debtor-in-

possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. No creditors' committee has yet been appointed in this case by the United States Trustee. No trustee or examiner has been requested or appointed.

4. Debtor purchased the KrisJenn Ranch (the "Ranch") in 2013 for \$3,952,000 and then invested an additional \$840,000 in the Ranch. The Ranch derives its income from the sale of cattle and a white-tail deer hunting lease operation.

5. The Ranch is encumbered by a \$5.9 million loan from Mcleod Oil ("Mcleod") related to an investment in a pipeline and its right of way.

6. Debtor contends approximately \$6.05 million is outstanding on the Mcleod debt and Mcleod contends the debt is up to \$800,000 higher. The Mcleod debt is also secured by the Pipeline and the right of way. Debtor contends the Mcleod debt is substantially over-secured. There is no other debt secured by the Ranch except property taxes that will not come due until January 2022.

7. The Debtor desires to retain Texas Ranch's services during the pendency of this Bankruptcy in order to broker its land situated in Uvalde County, Texas described as follows: 980 +/- Acres out of A0164 ABSTRACT 0164 SURVEY 687 21.04, A0165 ABSTRACT 0165 SURVEY 689 950.36 ("Property") through sale. Applicant has selected this broker because of their experience and knowledge in matters of this character and the Debtor believes this broker is well qualified to represent the Debtor, as debtor in possession, in this case.

8. The Debtors' schedules list the Property's value as \$5,900,082.00; however, the Broker believes the sales price will be in the range of \$7.5 to \$8.0 million as a result of increased interest in the area.

9. In connection with the performance of its duties and obligations as Debtor-in-Possession, the Debtor request authority to employ Texas Ranches as its broker to list and sell Debtor's property. Debtor has attached the broker agreement as Exhibit "B."

10. In compliance with 11 U.S.C. §329 and Rule 2014, Ken Hoerster has attached an affidavit as Exhibit "A" detailing the connections with the Debtors or any party-in-interest. To the extent Exhibit "A" discloses any connection, the Debtors believe it is not sufficient to prohibit employment as broker.

III. SUPPORT AND RELIEF REQUESTED

11. The Application is supported by the attached (i) Declaration of Ken Hoerster, Designated Broker of Texas Ranches as Exhibit "A," which is incorporated as if fully set forth herein. In further support of this Application, the Debtor represents as follows:

a. It is essential to the conduct of the Debtor's reorganization efforts in its Chapter 11 case that the Debtor employ Texas Ranches.

b. The Debtor must employ Texas Ranches to sell the Property.

c. Texas Ranches has the accessibility, experience, expertise, and resources which enables them to provide the realtor services needed by the Debtor in this case. Texas Ranches regularly lists, and sells farm and ranch properties. Therefore, the Debtor wants to employ Texas Ranches as its broker.

d. The Debtor has made arrangements for employment of Texas Ranches, for professional compensation as outlined in the sale contract attached as Exhibit "B." The Debtor expressly acknowledge, understand, and agree to all such arrangements, subject only to approval by the Court.

e. To the best of the Debtor's knowledge, and upon information and belief, Texas Ranches does not have any connections with the Debtor in this case, its creditors, any other parties in interest, or its respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee except as stated in Exhibit "A."

f. Furthermore, the information disclosed by Texas Ranches in the affidavit of Ken Hoerster does not preclude Texas Ranches from representing the Debtor under applicable law and ethical rules. Texas Ranches does not represent any other entity in this case which has any adverse interest therein; and Texas Ranches will not represent any such other entity in the Chapter 11 case during their respective employment as appraiser for the Debtor.

WHEREFORE, the Debtor hereby request that it be authorized to employ Texas Ranches, and that the Debtor has such other and further relief as is just.

Dated: July 9, 2021

Respectfully Submitted,

By: /s/ Larry Wright

Larry Wright, of KrisJenn Ranch, LLC, Debtor

THE SMEBERG LAW FIRM, PLLC

By: /s/ Ronald Smeberg

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ATTORNEY FOR DEBTOR

CERTIFICATE OF SERVICE

I hereby certify that on July 9, 2021, true and correct copies of the foregoing motion were forwarded by U.S. first class mail, postage prepaid, on all parties listed on the attached Service List.

/s/ Ronald J. Smeberg
RONALD J. SMEBERG

SERVICE LIST

DEBTOR

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GOVERNMENT ENTITIES

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Internal Revenue Services
Special Procedures Branch
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Austin, TX 78701

Texas Comptroller of Public
Account
Attn: Bankruptcy
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Austin, TX 78714-9359

Angelina County Tax Assessor
606 E Lufkin Ave,
Lufkin, Texas 75901

Nacogdoches County Tax
Assessor Collector

101 West Main Street
Nacogdoches, Texas 75961

Rusk County
202 N Main St,
Henderson, Texas 75652

Shelby County, Tax Collector
200 St. Augustine St.
Center, Texas 75935

Tenaha ISD Tax Assessor-
Collector
138 College St
Tenaha, TX 75974-5612

Uvalde Tax Assessor
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Uvalde, Texas 78801

NOTICE PARTIES

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SECURED CREIDITORS

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**UNSECURED
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vis, Cedillo & Mendoza

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